GLENEAGLE
GOLD LIMITED
ABN 27 103 702 370

7 October 2003

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: Mr John Moran
Senior Companies Advisor

Facsimile No.: 9221 2020

Dear John,

Response to ASX Price Query

The Company is pleased to respond to your query of 7 October 2003 as follows:

1. No, the Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

   The Company notes a recent press report commented on the pending drilling results from the Company's Yarlarweelor prospect at the Fortnum Gold Project and confirms that the Company has recently completed a thirty six (36) hole RC drilling program at the Yarlarweelor prospect.

   Previous ASX releases, dated 26 August 2003 and 12 September 2003, have highlighted very promising drilling results within the first seventeen (17) holes of this program. The company is currently in the process of receiving the results for the balance of the program and will make a market release immediately the results are fully interpreted.

2. The company is currently in the process of receiving the results for the balance of the Yarlarweelor drilling program and will make a market release immediately the results are fully interpreted.

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3. The Company is not aware of any other explanation for the price change in the securities of the Company other than the improved general market environment in relation to the resources sector, a recent article published in the August/September 2003 edition of the ResourceStocks magazine (copies of which have been sent to Gleneagle Gold shareholders) in relation to the Company's projects and a recent tour of the Fortnum Gold Project by several major broking houses.

4. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Should you have any queries regarding the above I will be happy to discuss such matters with you.

Yours faithfully

Ian Prentice

Ian Prentice
Managing Director – Gleneagle Gold Limited

ASX
AUSTRALIAN STOCK EXCHANGE

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7 October 2003

Mr Ian Prentice
Director
Gleneagle Gold Limited
217 - 219 Stirling Highway
CLAREMONT WA 6010

By Facsimile: 9211 5700

Dear Sir

Gleneagle Gold Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 22.5 cents on 22 September 2003 to a high of 31 cents today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

   In answering this question please address the recent press reports that the Company is expected to release drilling results from the Yarlarweelar prospect at the Fortnum gold project.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on **facsimile number (08) 9221 2020**. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 7.30 a.m. E.S.T.) on Wednesday, 8 October 2003.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours faithfully,

John Moran
Senior Companies Advisor

Direct Line: (08) 9224 0013

CC: Mr Kent Hunter
By fax: 9384 0799